MEMO ENDORSED

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

ROLANDE CUTNER,

Civil Action Docket No. 07 Civ.8649 (LAK) (FM)

Plaintiff,

-against-

319 WEST LLC., and A.R.M. CAPITAL Resources Corp. and XYZ CORPORATION, (Said name being fictitious, it being the intention of CUTNER to designate any corporation having a legal interest in the SRO HOTEL THE ST. LOUIS.

Defendants.

DEFAULT JUDGMENTIC AND FILED

DOC #:

DATE FILED: 130 08

LEWIS A. KAPLAN, USDJ

This action having been brought on October 5, 2007 by the filing of a summons and complaint, and on October 25, 2007 a copy of the summons and complaint having been served on defendant 319 WEST, LLC and on A.R.M. CAPITAL Resources Corp., by Anthony McCreath, NATIONAL PROCESS SERVICE's employee, a person authorized to serve the summons and complaint under Fed.R. Civ. P. 4(c) by serving personally 'Jane Doe" (true name refused), Managing Agent, and an agent authorized to accept service on behalf of the entity to be served, agent of the two corporations 319 WEST, LLC., and on A.R..M., Capital Resources Corp. at

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20 Ocean Court Brooklyn, NY 11223 and proof of service having been filed with the Court on November 5, 2007 and it now appearing that these two defendants have not appeared, answered, or made any motion herein.

Upon reading the attached affirmation of ROLANDE CUTNER, dated January 25, 2008, and the certificate of J. MICHAEL McMAHON, Clerk of the Court, noting the default of the defendant 319 WEST LLC, and the defendant A.R.M. Capital Resources Corp. for failure to appear, answer, or plead in the above-entitled action, it is

ORDERED, ADJUDGED and DECREED that plaintiff recover from the defendants the damages she suffered together with interest, costs and disbursements of this action. i.e.

- (a) \$100,000 (One Hundred Thousand dollars) for actual damages on the FIRST and SECOND Causes of Action;
- (b) Statutory damages of \$100,000. (One Hundred Thousand dollars) for the First Cause of Action;
- (c) Punitive damages of \$300,000 (Three Hundred Thousand dollars) for the First and Second Causes of Action in addition to all costs and expenses, and further

ORDERED, ADJUDGED and DECREED, that

a. the Contract of Sale and NET LEASE entered into by the Lantern Group and the previous owner, defendant 319 WEST LLC related to the subject premises 319 West 94th Street be and is declared voided and null and rescinded in its entirety, on the ground of fraud and misrepresentation in its inception, and further,

ORDERED, ADJUDGED and DECREED that

the management agreement between Capital resources and 319 West
 LLC be declared void and unenforceable, and it is further,

ORDERED, ADJUDGED and DECREED that plaintiff have a total judgment against defendant in the total liquidated amount of \$500,000 (Five Hundred Thousand dollars with interest at the rate of 9% from November 5, 2007 through January 25, 2008 amounting to \$509,986.30 plus costs and disbursements of this action in the amount of \$765.00 for an aggregate total of \$510,751.30

Dated: New York, New York

January 25, 2008

U.S.D.J.

THIS DOCUMENT WAS ENTERED ON THE DOCKET ON _____